tSHRI JAGDISH JANI; What are the , reasons that led to the decline in the procurement of iron-ore from different mines for steel plants in 1985-86 when compared to the preceding year 1964-85? I would like to know whether his Ministry will request the Steel Authority of India Ltd. to increase the procurement of iron-ore *or steel plants.

SHRI P. SHIV SHANKER: The reasons for the decline of the export from Orissa are that the total export from the Paradeep port have been falling because its port capacity of 53,000 DWT can accommodate smaller size vessels as against the Vizag and Madras Ports which were expanded earlier to 80 to one lakh tonne and are being further ex-panded. Smaller size vessels mean more shipping freight per metric tonne. Hence the landed cost of ore in Japan and South Korea is more.

With the change in the world shipping fleet of other major importing countries, large sized vessels came. As such the use of other Indian ports increased and that of the Paradeep port declined and most of the traffic which was earlier going to Paradeep shifted to Madras.

' Vairious stej^ have been taken to promote the export from the Orissa region. I would not like to go into them , because the hon. Member has only asked the reasons for the decline. Steps are being taken to see that the Paradeep Port is improved in order to strengthen its DWT capacity.

fSHRI JAGADISH JANI; Sir, I would like to know whether the hon. Minister has received any Memo-tatvdum from the Mine Owners Association for revising the procurement prices of iron ore for the Steel

English translation of the isupple-mentary put in Oriya.

plants and also for export purposes. If so, what are the steps taken in this regard?

SHRI P. SHIV SHANKER: Sir, I have not received any such memorandum.

SHRI AKSHAY PANDA: The Minister has stated in bis reply that MMTC proposes to procure 20 lakh tonneg of iron ore for export during 1986-87. But I would lilce to know what steps the Government would take to increase further export of iron ore in the Seventh Plan? If so, which countries have been contacted to import iron ore from India and particularly froCT(Orissa mines? The Minister has stated just now and last week also he has isaid that because of the drowning of a dredger in the Paradeep port our export has been declining. In view of this, what s^eps the Government is going to take to improve the facilities as the Paradip - -port,

SHRI P. SHIV SHANKER; Sir. the Government proposes to increase the export in the Seventh Plan from the Orissa region. The main countries where the iron ore is exported are: Japan, South Korea, Taiwan and West Europe.

On the question of the Paradeep port, I have already made this submission just now and last week also that recently a second dredger was sunk in the waters as a result of which the capacity of the loading has gone down. The bigger ships which were previously in a position to come up are not in a position to come up. Even the capacity loading has gone down. The Surface Department is taking necessary stepg to see that the dredger is removed.

MR. CHAIRMAN: Next Question No. 326.

Di^uments Sized during Balds

*326. SHRI K. L. N. PRASAD: Will the Minister of ©KiANCE be pleased to state;

(a) what is the number of files and other documents seized in each of the raids conducted during the last six months

against companies for evasion ot ciistom| excise duty;

(b) what is the prescribed period with in which these documents are required to be returned to the parties concerned;

(c) whether there are any cases where tie prescribed time-limit has not been followed; and

(d) if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY • OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d) A Statement is laid on the Table of the House.

(a) Over 25,000 searches and raids were conducted by Customs and Centra! Excise authorities in the country during 1985. Separate figures of searches and raids conducted in case of individual companies are not maintained.

In view of the large number of searclies and raids carried out and large number of formations carrying out such raids, it is not possible to give number of files and other documents seized in each of the raids conducted against companieis for evasion of customs and central excise duties during the last six months.

(b) There is no. period prescribed under the Customs and Central Excise laws within which the seized documents are required to be returned to the parties concerned. However, those documents which are not found relevant.for finalisa-tion of the proceedings under the Customs and Central Excise Acts are returned to the parties concerned, as soon as possible. The other documents ars retained till the finalisation of the proceedings.

Persons for whose custody the documents are seized are entitled to inspect them, make copies thereof and take extracts therefrom in the presence of an officer of Customs and Central Excise.

(c) and (d) Do not arise in view of reply to part (b).

SHRI K. L. N. PRASAD: Sir, it is generally presumed that before conducting any raid on any company or indivi-dual, the Department would have coUec-led some information on submission or otherwise. Based on this presumption, at least in respect of some good and large reputed companies the required information could be called for before rushing through raids and ultimately getting nothing out of it. This is my first supplementary and I would like an answer, from the Minister.

SHRI JANARDHAN POOJARY: Sir, before the issue of the search warrant the required information is collected. It the basis of such information that the search warrant are issued. Without any basis no prosecution has been one.

SHRI K. L. N. PRASAD: May I know from the Honourable . Minister the total quantum of amount recovered from these raids? How much is in litigation?

SHRI JANARDHAN POOJARY: Sir. so far as customs is concerned, about 21655 raids were conducted; and the amount that was seized was mentioned in the statement. I will repeat it again that it was Rs. 36.07 crores.

Sir, wherever incriminating documents are seized and whenever raids ^re conducted, it leads *to* further detection of some cases and detection of concealment in other cases also.

SHRI P. N. SUKUL: Mr. Chairman, Sir, a few minutes back my hon. friend, Mr. Thangagaalu has pointed out labout the Custom officers. I too have been told that in such raids on the premises of the big houses whereas many incriminating documents are seized, many more are also not confiscated will the connivance of the raiding authorities. If so, I would like to konw in how many cases action hag been taken against the defaulting officers in the current financial year If action has not been taken, how many such officers who were of doubi-ful integrity have been kept under surveillance?

SHRI JANARDHAN POO J ART; Sir, 60 far as this question is concerned.

I do not have definite information about the persons who have been prosecuted. But whenever there is a lapse, definitely the Government IiaS been taking action against such officials.

SHRI P. N. SUKUL; Even for this year he has no information.

MR. CHAIRMAN: Mr. Upendra.

SHRI PARVATHANENI PUEN-DRA: Sir, while we welcome the Government's action and drive to stop these irregularities, i would like to know v/hether the Government is modifying its present system of raids and searches so that unless a preliminary enquiry is made or a prima facie case is established, no advance publicity is given to such raids, so that innocent people are not harmed.

SHRI JANARDHAN POOJARI: Sir, wherever there is a case, only those premiseisi are raided and not only that, they arc prosecuted also when there is a defimite case, when there is a case for conviction. So far as publicity is concermid, even the Government is not wiUfng to give publicity. Unfortunately what is happening nowadays is that in order to give a distortion to thest raids, they are publicising it saying that there is no case at all. In order to rebut it, sometimes we have to give the full facts to the public or the peofi)le of the nation to show that we are not maliciously prosecuting or that no innocent person is harassed. Bit nobody is above law whether he is a rich person or any person. If anyone violates, he cannot be above the lavi'. The law should take care of it.

SHRI SURESH KALMADI: Sir, when tl.e present Prime Minister took, over, thsre was tremendous confidence among business people an the morale of business was high and production Was going in full swing. But after the indiscrhninate tax raids, the situation has changed. While erring businessmen must *he* brought to book, I do not know how only a few businessmen wfio have a comparatively clea-ner like Kirloskar and Bajaj, whose people have been given Padma Bhu-shans, etc. by the Government are being raided and all the new rich, who have better liaison officers in Delhi are getting away scot-free. I think this is a very very crude method also. I want to know whether the Government would consider adopting the system which goes on in the United States. In the United States you can get away wih murder, but you cannot get away with any tax "gaplas". You have to pay the taxes. They are having a system of audits. I would like to know whether instead of these crude tax raids— while you are talking of taking the country to the 21s century, on the one hand, you are employing 16th century methods, on the other-you will consider the system of audit where an audit team goes, sits and scans the entire accounts of the company, rather than going in for these crude methods..

SHRI V. GOPALSAMY: Medieval ways.

SHRI JANARDHAN POOJARI Sir, 1 agree with the hon. Member when he says that innocent persons should not be harassed. The Government and also the hon. Prime Minister have got full confidence in the business community and in the industrialists also. It is the convction of the Government that the private sector also has contributed to the development. At the same time, it is not the intention of the Government to harass any inno-cen people. But the Government is committed—this commitment is total— So far as the evaders are concerned. As the hon. Member knows, it is a war against black money and tax-evaders, not against the business community and the industrialists. Sir, I agree with the hon. Member that we should not harass. As I have stated. We should cooperate with the husinesF i community and we have to promote I and develop their industries also in (the interest of the Indian economy. . But at the same time, so far as the economic crime is concerned, it is a

grave crime. So far as the suggestion given by the hon. Member, Kalmadiji is concerned, I have noted it.

श्री जगदम्बी प्रसाद यादव : माननीय सभापति जी, मैं सरकार से जानना चाहता हूं कि जापान में टैक्स इवेडिंग को रोकने के लिए जो सिस्टम उसने अपने यहां डिवेलप किया है और वहां के व्यापारी, वाणिज्य करने वाले निश्चित पूर्वक अपना टैक्स अदा कर देते हैं, लेकिन हमारे यहां क्या इसका कारण यह है कि टैक्स सिस्टम ठीक नहीं होने के कारण लोग टैक्स को देने से भागते हैं ? मैं इसी संदर्भ में जानना चाहता हूं कि क्या सरकार अपनी इस नीति पर विचार करेगी कि क्या कारण है कि भारतवर्ष के इतने व्यवसायी टैक्स इवेड कर रहे हैं ? क्या सरकार के जिम्मे नहीं होता है कि रेड के द्वारा उनको पकड़ कर, केस करके यही उनसे पैसे वसूल करे या उनसे पैसे वसूल करने का दूसरा रास्ता भी निकाल सकती है, जो आसान हो इस से ?

SHRI JANARDHAN POOJARI; He has asked why the business cominunity is evading taxes. But all the people are not evading payment of taxes. There are only some people who are avoiding payment. It is only in such cases we have to take action. Why are they evading taxes? It is to make money, to have black money. As regards the question whether we are going to find out any other method, whenever there are deficiencies brought to our notice, remedial measures are taken. There is no other proposal to substitute the present arrangements.

.. SHRI N. K. P. SALVE: The power of search and seizure constitutes an extremely legitimate weapon in the hands of a Government which wants to ensure that the economic offenders do not benefit at the cost of the honest tax-payer. There is nothing wrong in the Government going ahead with the raids. It must go ahead. It is only when the black money is to be cheeked that the difficulty arises, because it is reported that there is over-dependence on the people who go and raid. They are also human beings. They are not angels who have descended from the heaven. So far as the Income-Tax Act is concerned, the provision has a built-in safeguard where the Commissioner has rieason to believe; it is not suspicion, it is not surmise; it has. to be recorded; he has got to record those reasons. The question arises when the officials are given what is called an award for the amount seized. I would like to know whether there is any such incentive or benefit or award being given to people who are going for search and seizure; if so, the legality and the propriety will have to be debated in this House because that is given from out of the monies which belong to the Government. What is more important is: Did the courts make any scathing indictment and stricture on the working of the officers who went and who searched and seized the premises of RK?

SHRI JANARDHAN POOJARI: I fully agree with the honourable Member when he says if there is a malicious search and if there is any harassment, action should be taken against such people, and action has been taken whenever there has been reason to believe. It is not only in this case, in all the cases where searches are conducted, this is the yardstick. Wlien-ever there is a malicious search detected, we have to take action. And we have taken action against so many officials also. The honourable Member has come to know through the press, even through Parliament, through our earlier replies. As regards payment of rewards, rewards are being paid and reward is enhanced to 20 per cent. It is being given as an incentive. These people have to deal with some antisocial elements during the course of their onerations. There is risk to their life. That is why rewards are being given. Not only to collect more revenues, but as a incentive...

MR. CHAIRMAN: The question is whether it is justified under your In-

come-tax law^ whether payment of these rewards is justified according to the Income-tax law. That is the question which Mr. Salve put—I have not put; it is Mr. Salve's question.

SHRI JANARDHAN POOJARI: Whether the Income-tax law justifies that reward or not, I shall look into it.

SHRI GAYA CHAND BHUYAN: I congratulate the Finance Minister on conducting these searches and seizures and I hope he will not succumb to the pressures already being built up by the media and the pressure groups. It is not only among business people, but also among the officers, that there are some unscrupulous elements. Even amongst the officers thero are many unscrupulous officers, officers who have gathered black money and it is only with their knowledge that tax-evading is going on. Will the Government consider conducting raids in the premises of these officers also •who have accumulated black money?

SHRI JANARDHAN POOJARI; Sir, I am happy to tell the honourable Member that no politcal or any kind of external pressure have been used and the Government has not succumbed to any such pressure and the commitment of the Government is very clear: We are not going to yield to any pressure.

So far as the raids are concerned, it is not, as I have stated earlier, ' against any particulary individual or any business community. It is against the law-breakers only. Sir, coming to the second part of the question.. . I am not able to recall what he said exiactly in" the second part of his question. l

' AN HON. MEMBER: It is about officeirs who have accuiriulated money.

SHRI JANARDHAN pOOJARI. Yes. There also. Sir, we have taken action against a number of officers and we are going to take action also against some of the fficers who have become mischievous, who have become corrupt or who are trying to harass innocent people.

MR. CHAIRMAN: All right. Next question. Question No. 327.

*327. [The *Questioner (Shri N.E. Balram) was absent. For answer* vide *cols.* 37-38 infra.]

MR. CHAIRMAN: Question No. 328. Mr. Pyarelal Khandelwal.

भारत को चीनी बेंचने के लिए मारीशस की पेशकश

*328. **श्री प्यारे लाल खंडेलवाल** : क्या **वाणिज्य** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि मारीशस भारत को अपेक्षाकृत कम मूल्य पर चीनी बेचने के लिए तैयार है ; और]

(ख) यदि हां, तो फिलिपीन; थाई-लैण्ड, कोरिया, क्यूबा आदि से खरीदी गई चीनी के मूल्यों तथा मारीशस द्वारा प्रस्तावित चीनी के मूल्यों में कितना अंतर है ?

वाणिज्य और खाद्य और नागरिक पूर्ति मंत्री (श्री पी० शिव शंकर) : (क) जी नहीं ।

(ख) प्रश्न नहीं उठता ।

श्री प्यारे लाल खंडेलवाल : सभापति जी, माननीय मंत्री जी ने मेरे प्रश्न के जवाब में 'जी नहीं' और 'प्रश्न नहीं उठता' उत्तर दिया है । लेकिन मैं प्रश्न उठाना चाहता हूं । मैं जानना चाहता हूं कि क्या मारीशस ने भारत को चीनी बेचने के लिए कोई प्रस्ताव किया था और अगर किया था तो वह किस भाव में किया था—ऊंचे भाव में या नीचे भाव में ?

SHRI P. SHIV SHANKER: Sir, in response to the STCs request of the 9th September 1985, the High Commission of Mauritius advised the STC on the 13th November 1985 that 20,000 tonnes or raw sugar was avai-